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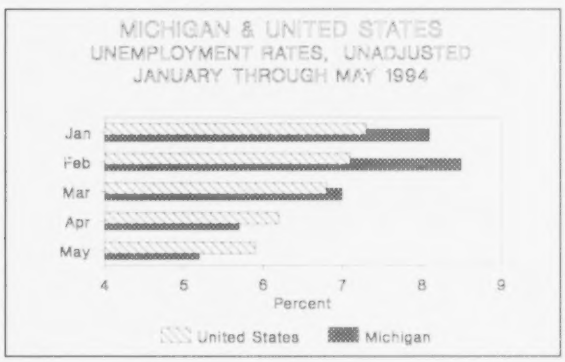
MICHIGAN'S LABOR MARKET NEWS

Volume 50 Number 5 *July 1994*

MICHIGAN'S JOBLESS RATE CONTINUES TO DECREASE

The unemployment rate in Michigan declined by half a point, as the jobless rate fell from 5.7 percent in April to 5.2 percent in May (unadjusted). This was the lowest level since November 1973, when the state's jobless rate was also 5.2 percent. May was the second month this year in which Michigan's unemployment rate has fallen below the nation's rate. The U.S. jobless rate also moved downward in May, and settled at 5.9 percent, down from 6.2 percent in April.



During the month of May, the number of unemployed individuals in Michigan dropped by 22,000 to 249,000, while employment advanced by 33,000 to total 4,496,000. The labor force also increased during the month, reaching 4,754,000, a gain of 11,000 over April. Michigan's 5.2 percent jobless rate ranked the tenth lowest among the nation's 11 largest states. California ranked the highest with 8.1 percent, followed by New Jersey with 7.1 percent.

PAYROLL EMPLOYMENT ADVANCES IN MAY

Total wage and salary employment in Michigan continued to expand, as industry jobs advanced to 4,109,900 in May. Employment opportunities increased by 59,700 as gains were centered in both the service producing and goods producing sectors. Service producing employment advanced by 41,800, primarily due to seasonal gains in retail trade and services, following the arrival of warmer weather. Goods producing jobs moved up by 18,000, mainly as a result of seasonal gains in the construction industry. The largest increases were posted in home improvement trades such as plumbing and electricity.

In May, the average hourly earnings in the state's manufacturing industries declined by 7 cents to $16.19, while the average workweek advanced to 44.8 hours from 44.6 hours the previous month. The gain was due to additional hours of overtime in automotive and related industries. As a result, average weekly earnings in manufacturing reached $725.31, a climb of 11 cents over April's total.

HOURS AND EARNINGS
MICHIGAN

	Average Hourly Earnings		Average Weekly Hours	
	1994		1994	
	Apr.	May	Apr.	May
Manufacturing	16.26	16.19	44.6	44.8
Durables	17.31	17.25	45.5	45.7
Motor Vehicles	21.37	21.38	47.0	47.3
Nondurables	12.74	12.70	41.9	42.1

EXPERIMENTAL PRICE INDEX FOR ELDERLY AMERICAN CONSUMERS

The Consumer Price Index (CPI) of the Bureau of Labor Statistics (BLS) measures the average change in prices over time for a fixed market basket of goods and services for two population groups. The CPI for All Urban Consumers (CPI-U) represents the spending habits of about 80 percent of the population of the United States. The CPI for Urban Wage Earners and Clerical Workers (CPI-W) is a subset of the CPI-U and represents about 32 percent of the total U.S. population.

The 1987 amendment to the Older American Act of 1965 directed BLS to develop an experimental index for a third population of consumers: those 62 years of age and older. A recent article published by BLS updates a report it presented to Congress in 1988, and offers an analysis of the behavior of the CPI for older Americans, for the period covering December 1987 through December 1993.

A comparison of the relative behavior of the CPI-U, CPI-W and the experimental index at the all-items level, revealed:

* The experimental index (for older Americans) rose slightly faster.

* Expenditures for medical care, transportation and housing accounted for most of the difference.

However, the experimental index is subject to larger sampling errors because the samples from which the expenditure weights for the experimental index were calculated, are smaller than those used for the CPI-U or the CPI-W.

Source: Monthly Labor Review, U.S. Department of Labor, Bureau of Labor Statistics, May 1994.

PERCENT CHANGE IN ALTERNATIVE CONSUMER PRICE INDEX, BY MAJOR COMPONENTS, DECEMBER 1987-93

December 1982 = 100

Component	CPI-U	CPI-W	Older Americans
All Items	26.3	25.5	28.7
Food & Beverages	24.8	24.8	25.0
Housing	23.1	22.4	25.1
Apparel & Upkeep	17.7	16.6	16.6
Transportation	22.8	21.9	25.0
Medical Care	54.2	53.3	59.4
Entertainment	25.9	25.0	28.2
Other	47.0	46.2	41.8

Michigan

(Data in Thousands)

	May 1994	Apr 1994	May 1993
Place of Residence			
Labor Force	4,745	4,734	4,689
Employment	4,496	4,463	4,379
Unemployment	249	271	310
Rate (Percent)	5.2	5.7	6.6
Place of Work			
Total Employment	4,110	4,050	4,001
Goods Producing	1,082	1,064	1,043
Const. & Mining	149	134	142
Manufacturing	933	930	901
Durable Goods	695	694	669
Primary Metals	36	37	36
Fabricated Metals	121	120	116
Trans. Equip.	292	292	280
Nondurable Goods	238	236	232
Food & Kindred	42	41	43
Other Nondurable	196	195	189
Service Producing	3,028	2,986	2,958
Tran. Comm. Util.	161	152	158
Wholesale Trade	200	198	198
Retail Trade	764	744	737
General Merch.	121	119	115
Eating & Drinking	276	266	266
Fin. Ins. Real Est.	195	193	193
Finance	121	120	120
Services	1,058	1,045	1021
Business Services	219	215	203
Health Services	335	335	330
Other Services	504	495	488
Government	651	654	652
Federal	56	56	57
State	158	172	159
Local	436	426	436
Labor Disputes	0.2	0	0.2

Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit (Data in Thousands)		
	May 1994	Apr 1994	May 1993	May 1994	Apr 1994	May 1993	May 1994	Apr 1994	May 1993
Place of Residence									
Labor Force	277,800	281,500	276,000	83,200	82,500	82,200	2,127	2,126	2,109
Employment	268,900	272,000	264,800	78,500	77,700	76,600	2,020	2,011	1,965
Unemployment	8,800	9,500	11,200	4,700	4,800	5,600	107	116	143
Rate (Percent)	3.2	3.4	4.1	5.7	5.8	6.8	5.0	5.4	6.8
Place of Work									
Total Employment	246,300	249,300	243,800	69,100	67,800	67,700	1,932	1,906	1,882
Construction & Mining	6,700	6,200	6,400	1,900	1,700	1,800	61	56	57
Manufacturing	53,700	54,000	53,500	20,400	20,300	20,000	429	429	412
Tran., Comm. & Utilities	5,400	5,400	5,400	2,800	2,800	2,800	87	83	84
Wholesale Trade	7,600	7,500	7,500	2,300	2,300	2,200	112	112	112
Retail Trade	40,600	39,800	40,000	12,600	12,100	12,200	343	335	337
Fin., Ins. & Real Estate	9,600	9,400	9,400	2,600	2,600	2,500	109	108	107
Services	56,900	56,300	55,600	17,100	16,900	16,700	554	550	538
Government	65,900	70,800	66,000	9,300	9,100	9,400	237	235	235
Labor Disputes	0	0	0	0	0	0	0.2	0	0

	Kalamazoo - Battle Creek			Lansing			Saginaw - Bay - Midland		
	May 1994	Apr 1994	May 1993	May 1994	Apr 1994	May 1993	May 1994	Apr 1994	May 1993
Place of Residence									
Labor Force	223,900	227,400	221,900	236,800	237,300	235,100	194,600	194,300	190,700
Employment	213,600	216,400	210,200	228,100	227,900	224,700	183,200	181,900	178,200
Unemployment	10,300	11,100	11,700	8,700	9,400	10,500	11,400	12,400	12,600
Rate (Percent)	4.6	4.9	5.3	3.7	4.0	4.5	5.8	6.4	6.6
Place of Work									
Total Employment	197,200	198,100	194,700	219,400	217,400	217,600	168,500	164,900	164,300
Construction & Mining	6,700	6,200	6,600	6,500	5,800	6,200	7,600	6,500	7,700
Manufacturing	49,900	49,400	49,400	29,500	29,500	28,000	40,900	40,600	40,300
Tran., Comm. & Utilities	6,300	6,200	6,200	6,400	6,300	6,300	6,500	6,300	6,500
Wholesale Trade	6,900	6,800	6,900	8,000	8,000	7,900	6,400	6,400	6,200
Retail Trade	36,700	36,400	35,700	39,700	39,000	39,200	35,800	34,400	34,500
Fin., Ins. & Real Estate	10,400	10,400	10,300	12,400	12,200	12,400	6,300	6,200	6,100
Services	46,900	47,200	46,000	49,400	48,600	48,500	41,900	41,400	40,500
Government	33,500	35,600	33,500	67,500	68,000	69,100	23,100	23,100	22,400
Labor Disputes	0	0	0	0	0	0	0	0	0

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids - Muskegon			Jackson		
	May 1994	Apr 1994	May 1993	May 1994	Apr 1994	May 1993	May 1994	Apr 1994	May 1993
Place of Residence									
Labor Force	196,500	198,300	196,600	522,900	520,200	515,200	73,600	73,800	72,400
Employment	182,600	183,500	179,700	501,200	497,400	486,800	69,400	69,300	67,300
Unemployment	13,900	14,800	16,900	21,700	22,800	28,400	4,100	4,500	5,100
Rate (Percent)	7.1	7.5	8.6	4.1	4.4	5.5	5.6	6.1	7.1
Place of Work									
Total Employment	168,100	166,700	166,100	480,400	473,200	467,000	56,600	55,800	55,100
Construction & Mining	4,800	4,400	4,900	20,600	19,500	19,900	1,700	1,600	1,600
Manufacturing	47,100	46,800	45,600	138,500	137,500	133,500	12,800	12,800	12,200
Tran., Comm. & Utilities	4,200	4,200	4,600	17,100	16,700	16,700	3,600	3,600	3,600
Wholesale Trade	6,900	6,800	7,000	29,800	29,500	29,300	2,200	2,200	2,100
Retail Trade	32,700	32,100	32,900	85,200	83,500	84,800	11,300	11,100	11,000
Fin., Ins. & Real Estate	6,300	6,300	6,200	19,200	19,200	19,100	1,900	1,800	1,800
Services	41,800	41,500	40,100	117,600	115,400	111,800	12,800	12,500	12,400
Government	24,300	24,500	24,700	52,400	52,000	51,900	10,300	10,100	10,400
Labor Disputes	0	0	0	0	0	100	0	0	0

	Upper Peninsula			Grand Traverse LMA			Houghton-Keweenaw LMA		
	May 1994	Apr 1994	May 1993	May 1994	Apr 1994	May 1993	May 1994	Apr 1994	May 1993
Place of Residence									
Labor Force	153,100	149,900	148,400	65,500	63,600	63,200	17,600	17,500	16,700
Employment	140,400	135,300	135,300	62,100	59,400	59,100	16,300	16,000	15,400
Unemployment	12,700	14,600	13,100	3,400	4,200	4,100	1,200	1,500	1,300
Rate (Percent)	8.3	9.8	8.8	5.1	6.6	6.5	7.0	8.4	7.8
Place of Work									
Total Employment	123,900	119,200	120,000	54,100	51,200	51,500	14,300	13,900	13,600
Construction & Mining	7,800	7,100	8,000	4,900	4,400	4,700	600	500	600
Manufacturing	15,300	15,000	15,000	7,100	7,000	6,900	900	800	900
Tran., Comm. & Utilities	5,600	5,300	5,600	1,900	1,800	1,900	400	400	400
Wholesale Trade	3,300	3,200	3,300	1,900	1,900	1,900	300	200	200
Retail Trade	25,900	24,500	24,500	12,400	11,600	12,000	3,300	3,200	2,700
Fin., Ins. & Real Estate	4,300	4,300	4,300	2,200	2,100	2,100	600	600	600
Services	26,400	24,700	24,900	16,200	15,000	15,000	2,800	2,700	2,700
Government	35,300	35,200	34,500	7,600	7,400	7,200	5,600	5,600	5,500
Labor Disputes	0	0	0	0	0	0	0	0	0

MAJOR LABOR MARKET AREAS

MAY JOBLESS RATE DOWN AGAIN IN ALL MAJOR LABOR MARKETS

Seasonal hiring across the state caused unemployment rates to decline in all ten of Michigan's major labor market areas during the month of May. The imminent arrival of the recreation and tourism season prompted many employers to boost their staff and cause employment levels to increase in most of Michigan's metropolitan areas. Declining employment was confined largely to areas with significant college and university employment such as Ann Arbor and Kalamazoo.

Among Michigan's major areas, Ann Arbor had the lowest unemployment rate at 3.2 percent, followed by Lansing and Grand Rapids areas with 3.7 and 4.1 percent, respectively. The Upper Peninsula which typically has a spring upswing in employment, had the largest unemployment decline in May, as its jobless rate fell to 8.3 percent from 9.8 percent in April. The decline still left the 15-county area with the highest unemployment rate among Michigan's major labor markets. The rate drop in the Upper Peninsula is attributed to seasonal employment gains in both the services and manufacturing industries.

SEASONAL GAINS CONTINUE IN WAGE AND SALARY EMPLOYMENT

Total May wage and salary employment advanced in eight of the 10 major labor market areas. Only Ann Arbor and Kalamazoo showed small decreases, caused by temporary employment declines in their respective universities. Among the major areas, the Upper Peninsula experienced the largest employment increase at 3.9 percent followed by Saginaw-Bay-Midland and Benton Harbor with 2.2 and 1.9 percent respectively. Most areas showed seasonal gains in their service producing sector, where the leading industries were retail trade and private services. Many areas also registered growth in their goods producing sector. These gains were caused by seasonal advances in the construction industry as well as the automotive and related industries, as local plants recalled personnel who were on temporary lay-offs.

During May, the average hourly earnings in the manufacturing industries showed a small decrease in eight out of the 10 major labor market areas in Michigan. The losses were due mostly to small declines in the durable goods industries. The average workweek moved up in five of the major areas over the month, causing average weekly earnings in all those areas to rise. The largest gains were reflected in the Detroit and Flint areas with increases of $4.46 and $3.63, respectively.

MANUFACTURING HOURS AND EARNINGS
Major Labor Market Areas
April and May 1994

Area	Average Weekly Hours		Average Weekly Earnings		Average Hourly Earnings	
	Apr.	May	Apr.	May	Apr.	May
Ann Arbor	45.7	45.4	765.47	752.28	16.75	16.57
Benton Harbor	42.7	42.5	492.76	483.65	11.54	11.38
Detroit	46.5	47.0	807.70	812.16	17.37	17.28
Flint	48.2	48.3	1051.72	1055.35	21.82	21.85
Grand Rapids	42.6	42.5	559.76	558.02	13.14	13.13
Jackson	43.0	43.3	493.64	495.78	11.48	11.45
Kalamazoo	44.9	44.5	675.30	667.05	15.04	14.99
Lansing	45.6	45.9	823.08	825.28	18.05	17.98
Saginaw	46.0	46.3	840.42	842.66	18.27	18.20
Upper Peninsula	40.4	40.4	451.67	452.48	11.18	11.20

LABOR SURPLUS AREAS

Alcona County
Alger County
Alpena County
Antrim County
Arenac County
Baraga County
Battle Creek City
Bay City
Benzie County
Berrien County
Branch County
Burton City
Cass County
Charlevoix County
Cheboygan County
Chippewa County
Clare County
Clinton Township
Delta County
Detroit City
Dickinson County
Emmet County
Flint City
Gladwin County
Gogebic County
Grand Rapids City
Gratiot County
Highland Park City
Hillsdale County
Houghton County
Huron County
Inkster City
Ionia County
Iosco County
Iron County
Jackson City
Jackson County Bal.
Kalamazoo City
Kalkaska County
Keweenaw County
Lake County
Lapeer County
Lenawee County
Luce County
Mackinac County
Macomb County Bal.
Madison Heights City
Manistee County
Marquette County
Mason County
Mecosta County
Menominee County
Midland County Bal.
Missaukee County
Monroe County
Montcalm County
Montmorency County
Mount Morris Township
Muskegon City
Muskegon County Bal.
Newaygo County
Oceana County
Ogemaw County
Ontonagon County
Osceola County
Otsego County
Pontiac City
Port Huron City
Presque Isle County
Roscommon County
Roseville City
Saginaw City
Sanilac County
Schoolcraft County
Shiawassee County
St. Clair County Bal.
St. Joseph County
Tuscola County
Van Buren County
Warren City
Wexford County

IMPORTANT NOTICE: The Department of Labor issues the Labor Surplus Area listings on fiscal year basis. The listings become effective on October 1st and stay in effect through the following September 30th. Some significant changes were made in this year's listings. Seventeen areas were removed, and one added. The areas removed were: Barry County, Bay County Bal., Calhoun County Bal., Clinton County, East Detroit City, Ferndale city, Flint Township, Genesee County Bal., Grand Traverse County, Lansing City, Leelanau County, Lincoln Park City, Saginaw County Bal., Shelby Township, Taylor City, Waterford Township, Ypsilanti Township. The only area added was Kalamazoo City.

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